



## INTEROFFICE MEMORANDUM

**DATE:** August 30, 2024  
**TO:** DART Board  
**THROUGH** Nadine S. Lee /s/ NSL  
**FROM:** Jamie Adelman  
**SUBJECT:** FY 2024 Quarterly Financial Report – June 2024

The third FY 2024 quarterly financial report is attached, providing a high-level overview of the agency's year-to-date financial performance through June 30, 2024. As with the monthly report, this delivers critical financial information at a high level so Board members can quickly digest the information they need to make sound policy decisions.

In addition to the topics covered in the monthly report, the quarterly report includes revenues and expenses prepared based on generally accepted accounting principles (GAAP basis), capital and non-operating expenses, and additional details on hiring.

As a reminder, you can access this and previous reports in the Board Portal by selecting:

- Reports and Audits
- Monthly & Quarterly Financial & Ridership Reports

Please contact me at [jadelman@dart.org](mailto:jadelman@dart.org) if you have any questions about this information.

A handwritten signature in cursive script that reads "Jamie Adelman". The signature is written in black ink and is positioned above a horizontal line.

Jamie Adelman  
EVP & Chief Financial Officer

Attachment

c: Leadership Roundtable

# FY 2024 // JUNE

## EXECUTIVE SUMMARY

This quarterly report expands on the monthly report but still provides a high-level overview of the agency's financial performance this fiscal year as of June 30, 2024. The FY 2024 budget includes total operating expenses of \$687 million, with year-to-date actual spending at \$508 million, a 74 percent utilization rate. Actual capital and non-operating expenses are at \$503 million, compared to a budget of \$894 million, a 56 percent utilization rate. Throughout this report, positive revenue and negative expense variances are better than budget.

<i>Values in \$M</i>	<b>FY 2024 Budget</b>	<b>YTD Actual</b>	<b>% Spent</b>	<b>FY 2024 Forecast</b>	<b>Forecast vs. Budget</b>
Operating	\$687	\$508	74%	\$686	\$(2)
Capital & Non-Operating	894	503	56%	718	(176)
Debt Service	222	150	68%	222	0
<b>Total Expenses</b>	<b>\$1,803</b>	<b>\$1,161</b>	<b>64%</b>	<b>\$1,626</b>	<b>\$(178)</b>

As a reminder, key indicators related to finance, ridership, security, safety, and service performance are available in the Transit Effectiveness Dashboard, which is accessible through the Board Portal, and on the public-facing [DART Scorecard](#) on DART.org.

## REVENUES & OPERATING EXPENSES

### Total Revenues

The table below includes year-to-date and forecasted revenues compared to the FY 2024 budget. Refer to the monthly sales tax memo for details on year-to-date sales tax collections. As of the third quarter, actual revenue was \$48 million below budget due to a \$50 million shortfall in federal funding linked to delayed capital project payments not expected to incur expenses this fiscal year.

Please note the federal funding amounts below include formula and discretionary funding. We plan to recognize \$72.5 million in formula revenue compared to \$121.5 million budgeted; we will apply unrecognized formula funds to eligible expenses in future years. Discretionary revenue is forecast at \$16.8 million compared to \$38 million budgeted due to an anticipated delay in receiving \$19.6 million from NCTCOG related to the Public Transportation Improvement (PTI) funding agreement.

### YTD Revenues (\$000)

Revenue	FY 2024 Budget	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Forecast	Forecast vs. Budget
Sales Tax <sup>1</sup>	\$870,753	\$573,002	\$567,184	(\$5,818)	\$870,753	\$0
Operating Revenue	56,286	42,215	46,766	4,551	59,272	2,986
Interest Income	39,937	28,295	27,676	(619)	37,384	(2,553)
Federal Funding	159,516	119,637	69,949	(49,688)	89,283	(70,233)
Other Revenue	35,235	26,426	30,463	4,037	35,235	0
<b>Total Revenues</b>	<b>\$1,161,727</b>	<b>\$789,575</b>	<b>\$742,038</b>	<b>\$(47,537)</b>	<b>\$1,091,927</b>	<b>\$(69,800)</b>

<sup>1</sup> YTD Budget and YTD Actual sales tax figures are as of May 2024.

### Total Operating Expenses

The table below includes year-to-date and forecasted operating expenses compared to the FY 2024 budget. Expenses are trending lower than budget, and we anticipate ending the year under budget.

### YTD Operating Expenses (\$000)

Operating Expense	FY 2024 Budget	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Forecast	Forecast vs. Budget
Salaries & Wages	\$310,346	\$238,696	\$237,903	\$(792)	\$308,481	\$(1,865)
Benefits	133,798	98,559	95,613	(2,946)	130,952	(2,846)
Services	80,227	59,952	53,467	(6,485)	81,900	1,674
Materials & Supplies	52,544	38,979	40,855	1,875	57,101	4,557
Utilities	20,050	14,621	15,745	1,124	20,422	371
Claims & Insurance	10,583	7,937	8,479	542	9,926	(657)
Purchased Transportation	92,395	68,945	66,262	(2,684)	90,066	(2,328)
Lease, Rentals, Taxes, & Other	8,696	6,460	3,525	(2,935)	6,191	(2,506)
Capital & Reserves	(21,393)	(15,997)	(13,633)	2,364	(19,346)	2,047
<b>Total Operating Expenses</b>	<b>\$687,246</b>	<b>\$518,153</b>	<b>\$508,215</b>	<b>\$(9,938)</b>	<b>\$685,693</b>	<b>\$(1,552)</b>

### Revenues & Expenses (GAAP Basis)

The table below includes year-to-date revenues and expenses prepared based on generally accepted accounting principles (GAAP basis), compared to the same period from the prior year. These amounts do not necessarily match revenues and expenses in the rest of this report because of how items such as depreciation, investment income, interest expense, and accounting adjustments are reported on a GAAP basis. Please note that these amounts are unaudited—audited financials are released in the Annual Comprehensive Financial Report.

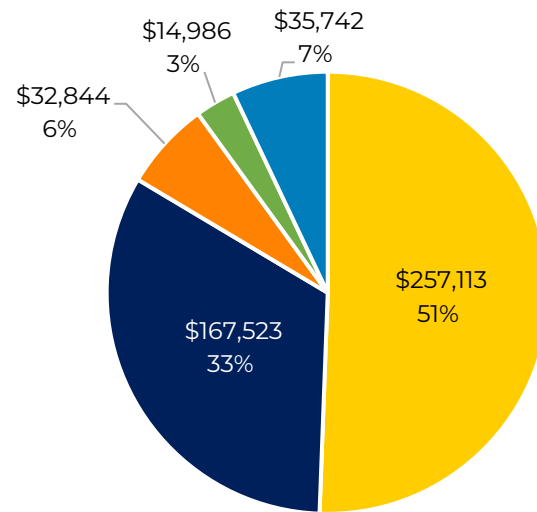
**Revenues & Expenses on GAAP Basis (\$000)**

	FYTD 2024 Actuals	FYTD 2023 Actuals	YOY Change	% Change
Sales Tax Revenue	\$646,692	\$627,524	\$19,168	3%
Grant Revenue	69,199	56,247	12,952	23%
Passenger Revenues	31,335	27,547	3,788	14%
Build America Bond Tax Credit	15,935	15,935	0	0%
Advertising, Rent, & Others	11,845	10,108	1,737	17%
Investment Income (Loss)	30,769	44,706	(13,937)	(31%)
Other Non-Operating Revenues	19,841	20,787	(946)	(5%)
<b>Total Revenues</b>	<b>825,616</b>	<b>802,854</b>	<b>22,762</b>	<b>3%</b>
Labor	239,074	220,066	19,008	9%
Benefits	103,528	91,890	11,638	13%
Other Operating Expenses	218,814	175,795	43,019	24%
Depreciation Expense	180,097	189,637	(9,540)	(5%)
Interest & Financing Expense	103,534	106,014	(2,480)	(2%)
Other Non-Operating Expenses	86,054	7,183	78,871	1,098%
<b>Total Expenses</b>	<b>931,101</b>	<b>790,585</b>	<b>140,516</b>	<b>18%</b>
<b>Net Income (Loss)</b>	<b>\$(105,485)</b>	<b>\$12,269</b>	<b>\$(117,754)</b>	<b>(960%)</b>

**Operating Expense Detail**

The chart to the right breaks out year-to-date operating expenses by mode, while the table below includes each department’s forecasted year-end operating expenses compared to its FY 2024 budget. If the year-end forecast varies from the budget by more than five percent, an explanation is provided below the table and identified by the department’s row number.

**YTD Expenses by Mode (\$000s)**



■ Bus ■ Light Rail ■ Commuter Rail ■ GoLink ■ Paratransit

**YTD Expenses by Department (\$000s)**

Row	Department	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Budget	FY 2024 Forecast	Forecast vs. Budget
1	Agency Safety & Compliance	\$2,861	\$2,550	\$(311)	\$3,741	\$3,355	\$(386)
2	Board Support	908	552	(356)	1,175	912	(263)
3	Bus Operations	173,638	175,725	2,087	230,481	232,970	2,489

Row	Department	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Budget	FY 2024 Forecast	Forecast vs. Budget
4	Capital P&D Allocation	(12,397)	(13,633)	(1,237)	(16,529)	(18,178)	(1,649)
5	Capital Planning	1,708	1,351	(357)	2,216	1,936	(280)
6	Capital Program Development	11,014	7,247	(3,767)	14,451	12,949	(1,502)
7	Chief of Staff*	1,889	409	(1,480)	2,268	697	(1,570)
8	Communications Strategy	2,335	1,816	(519)	3,054	2,397	(657)
9	Commuter Rail (TRE)	27,799	25,856	(1,943)	37,033	34,953	(2,080)
10	Diversity & Vendor Management	933	730	(203)	1,216	1,090	(127)
11	EEO & Cultural Engagement	933	579	(355)	1,225	969	(255)
12	Engineering & Construction	4,558	4,135	(423)	5,975	5,732	(242)
13	Finance*	23,016	22,074	(942)	30,365	30,276	(89)
14	(Office of) General Counsel	3,250	2,623	(627)	4,265	3,459	(806)
15	Government & Community Relations	1,893	1,280	(613)	2,494	2,360	(134)
16	Human Resources	5,363	4,680	(683)	7,043	6,257	(786)
17	Internal Audit	1,291	1,342	50	1,693	1,668	(25)
18	Light Rail Operations	51,745	58,610	6,865	68,012	75,363	7,350
19	MOW/Facility Maintenance	65,810	69,591	3,781	87,679	92,251	4,572
20	Marketing & Communications	9,069	7,534	(1,535)	11,712	10,518	(1,194)
21	Materials Management	6,689	5,861	(829)	8,579	8,463	(116)
22	Mobility Management Services	48,330	47,600	(730)	64,793	65,508	715
23	Police	44,538	41,666	(2,872)	58,313	54,648	(3,665)
24	(Office of) President	2,211	1,455	(756)	2,923	2,047	(876)
25	Procurement	3,899	3,396	(503)	5,060	4,309	(751)
26	Public Relations	2,389	1,583	(806)	3,144	2,085	(1,059)
27	Regional Rail ROW	(0)	150	150	100	100	0
28	Service Planning & Scheduling	4,326	4,376	49	5,812	5,772	(40)
29	Technology	29,399	26,419	(2,980)	38,976	37,881	(1,094)
30	Transit Ops & Service Delivery	1,575	1,118	(456)	2,128	1,803	(325)
31	Non-Departmental Operating Expenses	(2,821)	(459)	2,362	(2,152)	1,144	3,295
<b>32</b>	<b>Total Operating Expenses</b>	<b>\$518,153</b>	<b>\$508,215</b>	<b>\$(9,938)</b>	<b>\$687,246</b>	<b>\$685,693</b>	<b>\$(1,552)</b>

\*Effective this quarter, Business Innovation has been rolled into Chief of Staff and Finance.

1. Agency Safety & Compliance is forecast to be under budget due to vacancies.
2. Board Support is forecast to be under budget due to vacancies and savings from limited travel and training.
3. Bus Operations is forecast to be over budget due to overtime from absences and increases in preventive and corrective maintenance costs.

4. Capital P&D Allocation is forecast to be under budget due to greater-than-anticipated progress on capital projects.
5. Capital Planning is forecast to be under budget due to vacancies.
6. Capital Program Development is forecast to be under budget due to vacancies.
7. Chief of Staff is forecast to be under budget due to vacancies.
8. Communications Strategy is forecast to be under budget due to vacancies.
9. Commuter Rail is forecast to be under budget due to savings in purchased transportation.
10. Diversity & Vendor Management is forecast to be under budget due to vacancies.
11. EEO & Cultural Engagement is forecast to be under budget due to vacancies.
12. Engineering & Construction is forecast to be under budget due to vacancies.
14. (Office of) General Counsel is forecast to be under budget due to savings related to external counsel costs set aside for the Silver Line.
15. Government & Community Relations is forecast to be under budget due to vacancies.
16. Human Resources is forecast to be under budget due to vacancies.
18. Light Rail Operations is forecast to be over budget due to both overtime usage and higher costs related to corrective-based maintenance.
19. MOW/Facility Maintenance is forecast to be over budget due to overtime usage and higher costs for parts and repairs.
20. Marketing & Communications is forecast to be under budget due to vacancies.
22. Mobility Management Services is forecast to be over budget due to increased GoLink ridership and related increases in software costs, as well as contractual liquidated damages.
23. Police is forecast to be under budget due to vacancies.
24. (Office of) President is forecast to be under budget due to vacancies.
25. Procurement is forecast to be under budget due to vacancies.
26. Public Relations is forecast to be under budget due to vacancies.
30. Transit Ops & Service Delivery is forecast to be under budget due to vacancies.
31. Non-Departmental Operating Expenses are forecast to be over budget due to an increased contribution to the Employees' Defined Benefits Retirement Plan and Trust.

## Assets & Liabilities

The table below includes year-to-date assets and liabilities prepared on a GAAP basis, as well as debt and ratio analyses, compared to those amounts as of September 30, 2023.

### Asset & Liability Summary on GAAP Basis (\$000)

	6/30/2024	9/30/2023	\$ Change	% Change
Current Assets	\$910,657	\$1,173,262	\$(262,605)	(22%)
Capital Assets	4,688,080	4,469,346	218,734	5%
Other Non-Current Assets	74,733	95,938	(21,205)	(22%)
<b>Total Assets</b>	<b>5,673,470</b>	<b>5,738,546</b>	<b>(65,076)</b>	<b>(1%)</b>
Deferred Outflows of Resources	95,599	113,119	(17,520)	(15%)
Total Assets & Deferred Outflows	5,769,069	5,851,665	(82,596)	(1%)

	6/30/2024	9/30/2023	\$ Change	% Change
Current Liabilities	355,028	430,481	(75,453)	(18%)
Non-Current Liabilities	3,807,290	3,711,379	95,911	3%
<b>Total Liabilities</b>	<b>4,162,318</b>	<b>4,141,860</b>	<b>20,458</b>	<b>0%</b>
Deferred Inflows of Resources	59,260	56,829	2,431	4%
Total Liabilities & Deferred Inflows	4,221,578	4,198,689	22,889	1%
<b>Net Assets</b>	<b>1,547,491</b>	<b>1,652,976</b>	<b>(105,485)</b>	<b>(6%)</b>
Revenue Bond – Face Value	3,339,355	3,415,385	(76,030)	(2%)
Revenue Bond – Premium	190,150	200,922	(10,772)	(5%)
<b>Total Revenue Bond</b>	<b>3,529,505</b>	<b>3,616,307</b>	<b>(86,802)</b>	<b>(2%)</b>
RRIF Bond Payable	244,834	53,928	190,906	354%
Commercial Paper	45,630	0	45,630	0%
Capital Lease	0	8,524	(8,524)	(100%)
<b>Total Debt (excl. Interest Payable)</b>	<b>3,819,969</b>	<b>3,678,759</b>	<b>141,210</b>	<b>4%</b>
Interest Payable	12,486	48,934	(36,448)	(74%)
<b>Total Debt</b>	<b>\$3,832,455</b>	<b>\$3,727,693</b>	<b>\$104,762</b>	<b>3%</b>

Acid-Test Ratio <sup>1</sup>	2.44	2.63
Current Ratio (Current Assets/Current Liabilities) <sup>1</sup>	2.57	2.73
Capital Assets/Total Assets Ratio <sup>2</sup>	0.83	0.78
Debt/Capital Assets Ratio <sup>3</sup>	0.82	0.83

<sup>1</sup>The acid-test ratio measures DART's ability to pay its current liabilities with short-term assets excluding inventory. In contrast, the current ratio measures DART's ability to pay its current liabilities with its current assets. Generally, a ratio of one or greater is good.

<sup>2</sup>This ratio reflects DART's investment in capital assets (such as rail right-of-way, passenger, operating facilities, rolling stock, etc.) relative to total assets.

<sup>3</sup>This ratio measures the percentage of DART's capital assets financed with debt.

## CAPITAL & NON-OPERATING EXPENSES

The table below breaks out year-to-date capital and non-operating expenses by mode, compared to the FY 2024 budget. You can also find information on capital projects in the Capital Improvement Program section of the FY 2024 Annual Budget and 20-Year Financial Plan.

### YTD Capital & Non-Operating Expenses (\$000)

Mode	FY 2024 Budget	YTD Actual	Remainder
Agency-Wide	\$80,639	\$23,287	\$57,352
Bus	37,563	6,822	30,741
Light Rail Transit	136,062	13,675	122,387
Streetcar	4,377	0	4,377
Commuter Rail/RR Management	512,778	339,328	173,450
Paratransit	577	0	577

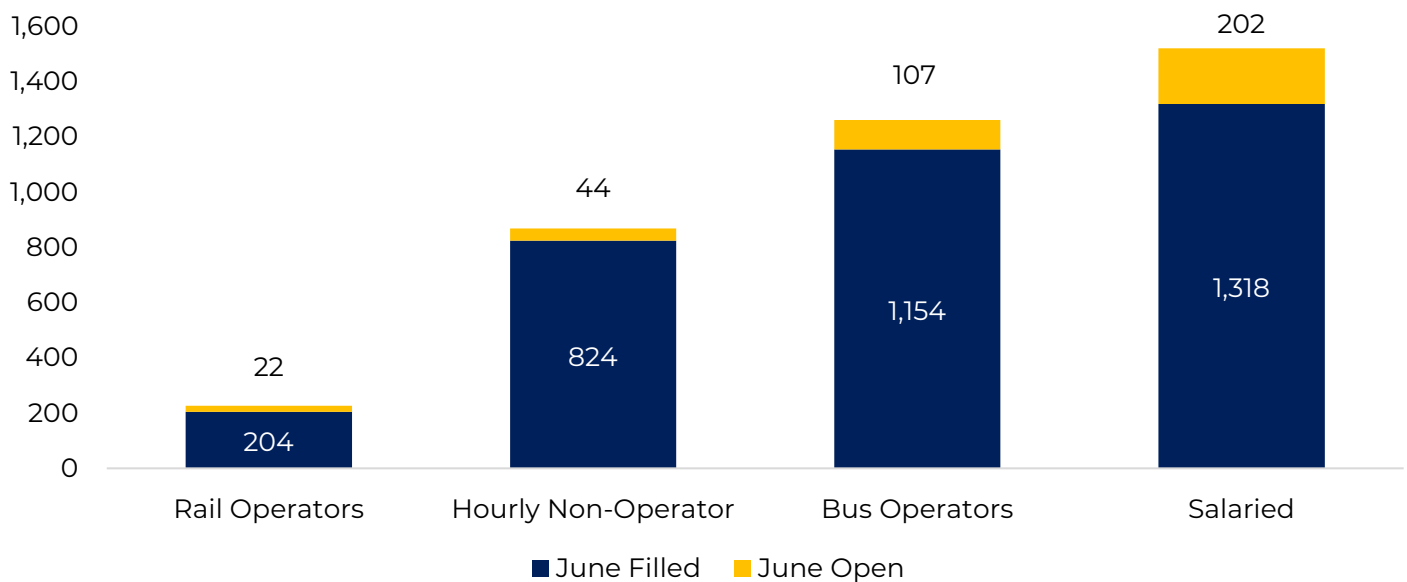
Mode	FY 2024 Budget	YTD Actual	Remainder
Capital Planning & Development/Startup	16,529	13,633	2,896
<b>Capital Expenses</b>	<b>788,526</b>	<b>396,746</b>	<b>391,780</b>
Non-Operating	105,895	106,027	(132)
<b>Total Capital &amp; Non-Operating Expenses</b>	<b>\$894,421</b>	<b>\$502,773</b>	<b>\$391,648</b>

## HIRING SUMMARY

### Filled Positions

The table below includes the number of filled and open positions by position type. We have filled 89 percent of our 3,875 positions. Bus Operator vacancies include 40 positions related to expanded service partially implemented in June, the remainder of which is scheduled for September.

Filled vs. Open Positions – June 2024



### Positions by Department

The table below lists the number of budgeted positions by department, any adjustments made this fiscal year, and vacancies. Positions are grouped by type, like the table above.

When we first submitted the budget to the Board on July 7, 2023, we had a “vacancy pool” (Row 1) of 62 positions that had been vacant for a significant time with no reasonable plan to fill them. Positions in the vacancy pool have since been reclassified and allocated to departments to support the Board’s goals and operating objectives.

The agency also added four new field maintenance inspectors, funded from contractual services allocations to support enhanced cleaning.



Positions by Department

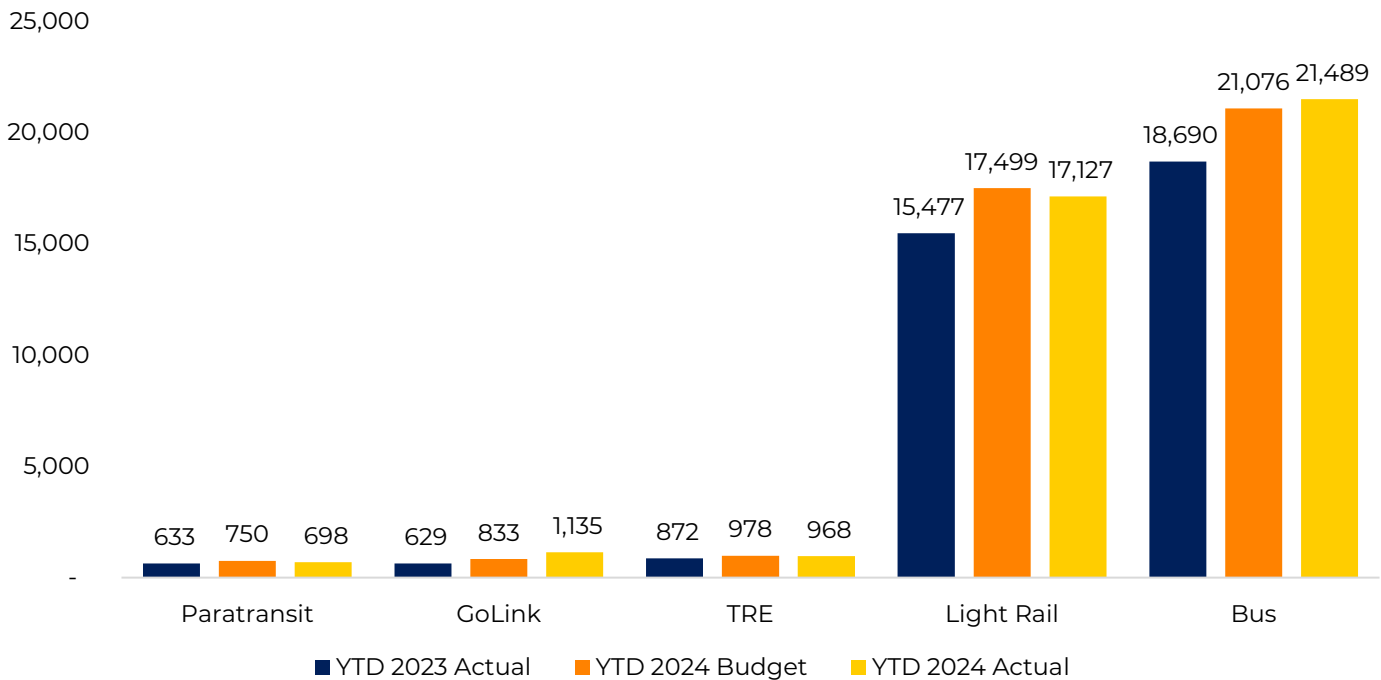
Row	Department	FY 2024 Budgeted	Adjustments	FY 2024 Positions as of 6/30/24	Vacancies
1	Agency Initiatives (Vacancy Pool)	62	(61)	1	1
2	Agency Safety & Compliance	22	5	27	3
3	Board Support	6	(1)	5	1
4	Bus Operations	190	(9)	181	8
5	Business Innovation	7	(7)	0	0
6	Capital Planning	10	5	15	4
7	Capital Program Development	35	29	64	8
8	Chief of Staff	6	2	10	5
9	Communications Strategy	10	3	13	3
10	Commuter Rail (TRE)	9	1	10	1
11	Diversity & Vendor Management	8	1	9	2
12	EEO & Cultural Engagement	7	1	8	2
13	Engineering & Construction	51	(17)	34	3
14	Finance	91	16	107	11
15	(Office of) General Counsel	19	0	19	0
16	Government & Community Relations	13	0	13	5
17	Human Resources	43	0	43	4
18	Internal Audit	9	0	9	1
19	Light Rail Operations	128	3	131	10
20	MOW/Facility Maintenance	91	13	104	10
21	Marketing & Communications	51	1	52	13
22	Materials Management	30	0	30	0
23	Mobility Management Services	46	(1)	45	1
24	Police	400	2	402	74
25	(Office of) President	9	(3)	6	0
26	Procurement	53	0	53	15
27	Service Planning & Scheduling	22	0	22	0
28	Technology	80	15	95	10
29	Transit Operations & Service Delivery	9	2	11	4
<b>30</b>	<b>Total Salaried</b>	<b>1,517</b>	<b>3</b>	<b>1,520</b>	<b>199</b>
31	Bus Operations	340	(10)	330	20
32	Finance	17	0	17	1
33	Light Rail Operations	151	0	151	8
34	MOW/Facility Maintenance	277	5	282	13
35	Marketing & Communications	40	(2)	38	0
36	Materials Management	49	1	50	2
<b>37</b>	<b>Total Hourly Non-Operator</b>	<b>874</b>	<b>(6)</b>	<b>868</b>	<b>44</b>
38	Bus Operators	1,251	10	1,261	107
39	Light Rail Operators	226	0	226	22
<b>40</b>	<b>Total Bus &amp; Rail Operators</b>	<b>1,477</b>	<b>10</b>	<b>1,487</b>	<b>129</b>

Row	Department	FY 2024 Budgeted	Adjustments	FY 2024 Positions as of 6/30/24	Vacancies
41	Total Hourly	2,351	4	2,355	173
42	Grand Total Departments	3,868	7	3,875	372

## RIDERSHIP SUMMARY

The chart below compares our year-to-date budgeted ridership to estimated actual ridership and to the same period in FY 2023. Since restoring the DARTzoom bus network to full service in January 2023, we have delivered more than 99 percent of scheduled trips, with overall ridership nearing 83 percent of pre-pandemic numbers. Overall ridership is up by an estimated five million riders (17 percent) compared to the same period last year.

YTD Ridership by Mode (000s)



Note: The Light Rail category includes ridership for light rail and the Dallas Streetcar.